

GREENVILLE UTILITIES COMMISSION/CITY OF GREENVILLE

QUESTIONS AND ANSWERS FOR 24-05

RFB FOR AUDITING SERVICES

2/9/2024 at 3:00PM

1. Would the selection committee(s) consider extending the proposal due date to allow adequate time to prepare the detailed requested information for the four entities covered within this RFP (GUC, City, SML & CVA)? The LGC sample RFP for Audit Services suggest an approximate four week turnaround for county audit RFPs.

Unfortunately, we cannot grant an extension.

2. Are there any areas within the audit or within operations that impact the audit that is of special concern to management or those charged with governance?

No.

3. Except for timely issuance of the Annual Comprehensive Financial Report, in what ways can your auditor provide value?

GUC- By offering guidance re: the implementation of new GASB standards (i.e., GASB No. 101).

City- I believe it was mentioned in the RFP, but advice for meeting GFOA requirements to receive the COA.

4. What were the most significant challenges faced during the FY2023 audit, if any?

GUC- Retirement of key employees, OPEB report delay, implementation of GASB No. 96.

City- Staff turnover in key finance positions - largely addressed at this point.

5. What were the final audit fees for each entity for FY23? Did the fees for FY23, FY22 or FY21 include any out of scope additional billings? If so, what were those out of scope services and how much was billed?

GUC- GUC FY23: \$56.2k – No out-of-scope additional billings.

City- Available here: <https://lgcportal.nctreasurer.com/audit-fees-by-unit/> Nothing was out of scope.

6. Is the transition to a new auditor a concern? If so, what are those concerns?

Timing of audit and any changes to PBC documents. We would prefer staff to come on-site for some testing, especially the first year.

7. Do you anticipate the level of federal and state funding to be consistent with FY23?

GUC- Yes.

City- Yes outside of recognizing more ARPA funds than prior years.

8. May we obtain a copy of the 2023 internal control letter (management letter), if available

Attached.

9. If an internal control letter is not available, were there any internal control or other matter observations communicated to management that were not material weaknesses or significant deficiencies?

N/A

10. What were the nature and magnitude of any audit adjustments for the FY23 audit, if applicable?

N/A

11. What financial systems do each of the entities use? Does any entity anticipate any significant changes to their financial systems during the term of this contract?

GUC- Oracle EBS and CCS - CCS is our billing system and will be going live in February 2024 (currently we use CCB); we don't expect any significant changes to the financial system.

City- Tyler Munis and no changes anticipated.

12. Are the financial statements for the Sheppard Memorial Library and the Convention and Visitors Authority prepared by the City's Finance Department or is it the expectation for the auditor to prepare those statements?

Sheppard and the Convention and Visitor Authority will need statements prepared by the Auditor.

13. Should we amend the references workpaper (page 12 of 17) to include 5 references? Section 5 of the request for proposal ask for five current or prior governmental audit client's references.

Yes. You must return 5 references; Page 12 is just a sample to go by.

14. Any significant changes expected to federal or state grant expenditures in FY2024 for the City?

Only expected change will be an increase in ARPA expenditures.

15. A review of the City's Audit reports from 2021-2023 indicate that they were issued in January 2022, November 2023, and January 2024. The RFP and statutes require filing by Oct 31. Can you elaborate on the reason(s) behind the later filings? Is Oct 31 feasible in 2024? Would appear GUC has been by Oct 31 in 2021 and 2022, however in November for 2023.

GUC- N/A – was later in FY2023 because of a delay in receiving the OPEB report.

City- City's timing is dependent on GUC and Sheppard to a degree, while we would love to issue by October 31st, we recognize that it is not always possible. We do view November 30 as a hard deadline unless the City cannot meet it's obligation for timely reporting.

16. What is the reason for the RFP?

We've not gone out for RFP in several years, and we typically like to every 5 years. We want to insure we're getting the most value for our contract.

17. Has the prior auditor for either entity issued a management letter for suggestions/deficiencies that are not reported in either ACFR? Can we be provided a copy?

No. We have not had one recently.

18. Are there any planned significant ERP or IT changes in the next 3 years for either the City or GUC?

GUC- Current fiscal year - Moving from Oracle CCB to Oracle CCS for customer accounts and billing, and moving from Oracle WAM to CityWorks for project and time management.

City- No.

19. Any significant planned debt issuances in 2024 for GUC or the City?

No.

20. The City has had 4 single audit programs (federal and State) for the past 3 years. Can we assume a similar number for FY 2024?

Yes.

21. GUC – Does GUC ever utilize regulatory assets/liabilities?

No.

22. Has GUC been notified by any regulatory agencies of any significant compliance violations?

No.

23. Does GUC/the City prefer on-site or remote fieldwork?

GUC- Hybrid.

City- Prefer remote, can work with either.

24. What financial software is used by City/GUC and is remote Read-only access available to the auditor?

GUC- Oracle EBS – read-only access is not available.

City- We use Tyler Munis. We don't currently grant access, but that is because it has not been requested. We would work with our IT department to make sure the auditors have access to what they need.

25. For Leases/SBITAs, does the City/GUC utilize a service (LeaseQuery, LeaseCrunch, Debtbook, etc.)? If so which one? Does the auditor have read-only access?

DebtBook – read-only access is available.

26. What is the usual ready-for-audit timeframe of the CVA and SML? Does City staff still maintain these books/funds under a common system?

CVA is maintained under the City's financial system. SML has it's own records. SML is ready to go for audit shortly after year-end. CVA is ready but the City's audit will take priority.

27. Does the City/staff draft the financial statements of the CVA and SML?

We do not draft SML or CVA.

28. What is the reason for issuing an RFP? We want to insure we are receiving the best value for the audit contract.

We typically like to go out for RFP every five years for this service. We are looking to insure we are receiving the best value for the audit contract.

29. Is there a mandatory rotation requirement?

No.

30. Are the current auditors eligible to submit a proposal?

Yes.

31. How long have the current auditors been the auditors for the City & Commission?

Since fiscal year 2015.

32. How would you describe the City's and Commission's internal control environment?

GUC- Sufficient but there is always room for improvement in some areas. No internal control findings.

City- City has strong internal controls, no internal control deficiencies have been identified.

33. How long were the auditors in the field for interim and final and how many people for each audit?

GUC- We have not had auditors on site the last few years. We would like to have them on site some this year, especially if it is a new team. Our team typically consisted of an assurance senior, manager, and director. We did have weekly check-ins via Microsoft Teams on the calendar this year and thought those went well.

City- Current auditors have not done in person field work and it has been more of a continual process rather than point in time. Audit fieldwork is typically done between September - October. Interim sometime in May-June. We work with 3 primary people.

34. What is the City's and Commission's expectation for on-site, remote or hybrid fieldwork?

See answer above. GUC is fine with a hybrid approach. We don't find it necessary to be onsite for the entire duration of fieldwork.

35. What software does the City and Commission use to prepare the financial statements?

GUC- GUC prepares their financial statements using Microsoft Word and Excel.

City- Excel

36. What general ledger system does the City and Commission currently use?

GUC- Oracle EBS.

City- Tyler Munis

37. Will there be an oral presentation of the top-rated firms?

GUC- Oral presentation would be ok, but not necessary.

City- City would prefer to have oral presentation of top-rated firms. Not a requirement if GUC would rather not.

38. Pg. 10 – Section 5: References and Pg. 12 References – there are two sections of the RFP that request references, should both sections be completed resulting in 8 references.

Total of Five references needed. Page 12 of the proposal was just a sample.

39. Pg. 10 – Section 8.d – each firm may define the management letter differently. Can you provide insight as to what the management letter historically has been for the City & Commission.

GUC- Management rep letter for FY2023 audit is attached.

City- Management letter for the city would be the letter where the auditors make suggestions regarding Internal Controls which are not required to be presented to a governing board.